REMARKS

This response is intended as a full and complete response to the non-final Office Action mailed on September 27, 2005. In the Office Action, the Examiner notes that claims 1-5, 7, 8, 10, 12-47, 51, 53-60 and 62-78 [NOTE: claim 59 is not listed on the office action summary] are pending and rejected. By this response, Applicant has amended claims 1, 7, 15, 25, 43, 51, 53, 54, 59, 68 and 69, and canceled claim 14.

In view of the foregoing amendments and the following discussion, Applicant submits that none of the claims now pending in the application are obvious under the provisions of 35 U.S.C. §103. Thus, Applicant believes that all of these claims are now in allowable form.

It is to be understood that Applicant, by amending the claims, does not acquiesce to the Examiner's characterizations of the art of record or to Applicant's subject matter recited in the pending claims. Further, Applicant is not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant responsive amendments.

REJECTIONS

35 U.S.C. §103

Claims 1-5, 7-8, 10, 12-32, 34-47, 51, 53-60, 62, and 64-78

The Examiner has rejected claims 1-5, 7-8, 10, 12-32, 34-47, 51, 53-58, 60, 62, and 64-78 under 35 U.S.C. §103(a) as being unpatentable over U.S. 6,177,391 B1 to Alexander "(Alexander") in view of U.S. Patent 6,493,872 to Rangan ("Rangan"). Applicant respectfully traverses the rejection.

Applicant's independent claims 1, 7, 25, 34, 43, 51, 53, 54, 59, 68 and 69 recite different aspects of the present invention including the limitation for the terminals to assign virtual objects and receive group assignment rules from a remote location such as the local insertion center. Specifically, Applicant's independent claim 1 (and similarly independent claims 7, 25, 34, 43, 51, 53, 54, 59, 68 and 69) recites:

> 1. A method for locally targeting virtual advertisements at a user's terminal, comprising:
> assigning at least one virtual advertisement spot to a video program;

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assigning a plurality of virtual objects to the at least one virtual advertisement spot, wherein assigning the plurality of virtual objects further comprises:

ranking one or more of the video programs based on target categories and a first percentage of total viewers in one or more groups of viewers;

ranking the plurality of virtual objects based on a second percentage of total viewers in the one or more groups of viewers; and

determining, for one or more of the video programs and one or more of the target categories, plurality of virtual objects with overall highest rankings, based on the first and the second percentages;

generating group assignment rules;

generating a retrieval plan; and

providing the retrieval plan, the group assignment rules and video program to the terminal, wherein the retrieval plan and the group assignment rules are sent periodically to the terminal, and the retrieval plan directs the terminal to select one of the plurality of virtual objects for placement at said at least one virtual advertisement spot in said video program. (emphasis added).

According to MPEP 2143.03, all claim limitations must be taught or suggested. "To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). 'All words in a claim must be considered in judging the patentability of that claim against the prior art.' In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). "

The present invention includes a method of targeting virtual objects including the steps of: ranking one or more of the video programs based on target categories of targeted virtual objects and a first percentage of total viewers in one or more groups of viewers; ranking the targeted virtual objects based on a second percentage of total viewers in the one or more groups of viewers; and determining, for one or more of the video programs and one or more of the target categories, targeted virtual objects with overall highest rankings, based on the first and the second percentages.

Alexander discloses an electronic program guide (EPG) at terminals which selects advertisement for display using viewer profiles or other preset criteria. Specifically, Alexander discloses the advertisement can be assigned to television (TV) programs, history of use, in terms of frequency of visits, is recorded, time spent during a single visit and/or total time of all the visits, information box is correlated to the TV

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programs, and the results are analyzed to decide which advertisement to display. Any area on the screen could be monitored for displaying advertisements. However, Alexander failed to disclose, teach or suggest using rankings based on percentages as claimed. In particular, Alexander is completely silent on a method and apparatus for determining, for one or more of the video programs and one or more of the target categories, targeted virtual objects with overall highest rankings, based on the first and the second percentages.

Furthermore, the Rangan reference does not bridge the substantial gap between the Alexander reference and Applicant's invention. Rangan discloses synchronization of data streams. Specifically, Rangan discloses a system for creating an annotated stream at an authoring station and combining a live video stream and the annotated stream. Rangan also does not disclose, teach or suggest a method and apparatus for determining, for one or more of the video programs and one or more of the target categories, targeted virtual objects with overall highest rankings, based on the first and the second percentages.

In addition, there is no motivation to combine Alexander and Rangan. Even if the two references could somehow be operably combined, the combination would provide a library of advertisements stored at the viewer's terminal where the EPG selects advertisements for display according to pre-established selection criteria, and an authoring station for tracking and inserting advertisements in a video stream that is upstream from the user's terminal. Nowhere in the combined references is there any teaching or suggestion of a method and apparatus for determining, for one or more of the video programs and one or more of the target categories, targeted virtual objects with overall highest rankings, based on the first and the second percentages. Therefore, the combined references fail to teach or suggest Applicant's invention as a whole.

As such, Applicant submits that independent claims 1, 7, 25, 34, 43, 51, 53, 54, 59, 68 and 69 are not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Furthermore, claims 2-5, 8, 10, 12-24, 26-32, 35-42, 44-47, 55-58, 60, 62, 64-67 and 70-78 depend, either directly or indirectly, from independent claims 1, 7, 25, 34, 43, 51, 53, 54, 59, 68 and 69 and recite additional features thereof.

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As such and at least for the same reasons as discussed above, Applicant submits that these dependent claims are also not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Therefore, Applicant respectfully requests that the Examiner's rejection be withdrawn.

Claims 33 and 63

The Examiner has rejected claims 33 and 63 under 35 U.S.C. §103(a) as being obvious and therefore unpatentable over Alexander in view of Rangan in further view of U.S. Patent 6,741,834 to Godwin (hereinafter "Godwin"). Applicant respectfully traverses the rejection.

Claims 33 and 63 respectively depend from independent claims 25 and 59 and recite additional features thereof. In particular, claim 33 (and similarly dependent claim 63) recites in part:

> A method of locally targeting virtual objects to terminals, comprising:
> creating a package of targeted virtual objects, comprising:
> ranking one or more video programs based on target categories of targeted virtual objects and a first percentage of total viewers in one or more groups of viewers;
> ranking the targeted virtual objects based on a second percentage of total viewers in the one or more groups of viewers; and
> determining, for one or more of the video programs and one or more of the target categories, targeted virtual objects with overall highest rankings, based on the first and the second percentages;
> providing the package to one or more of the terminals;
> generating group assignment rules;
> providing the group assignment rules to one or more of the terminals;
> generating a retrieval plan;
> storing the retrieval plan at one or more of the terminals; and
> providing a video program to one or more of the terminals, the video program including at least one virtual object location, wherein the retrieval plan designates virtual objects to be displayed during a display of the video program.

As discussed above, the combination of the Alexander and Rangan references fails to teach or suggest Applicant's invention as a whole.

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Furthermore, the Godwin reference does not bridge the substantial gap between the Alexander and Rangan references and Applicant's invention. Specifically, the Godwin reference discloses

> The subscriber receiver 110 includes a global positioning system (GPS) receiver 524 communicatively coupled to a suitable antenna 526. The GPS receiver 524 can provide information regarding the position of the subscriber receiver 110 (for example, in the form of a latitude and longitude). The location module 518 provides the local broadcast region information to a controller module 530 and to an EPG data processing module 532. The controller module 530 uses the information provided by the location module 518 and the local market ID to determine which of the satellite's regional media programs should be presented to the user. Further, the EPG data processing module 532 uses the information provided by the location module 518 to determine which programs to present in an integrated EPG (presenting only those which are either national media programs or satellite or terrestrial regional media programs broadcast within the local broadcast region). (see Godwin, column 7, lines 30-51, FIG. 8B).

Specifically, Godwin does not disclose, teach or suggest a method and apparatus for determining, for one or more of the video programs and one or more of the target categories, targeted virtual objects with overall highest rankings, based on the first and the second percentages.

There is no motivation to combine. Even if the three references could somehow be operably combined, the combination would merely provide a graphical electronic program guide having advertisement panels to a terminal having a GPS receiver, where the terminal is capable of determining which programs to present in an integrated EPG. Nowhere in the combined references is there any teaching or suggestion of a method and apparatus for locally targeting virtual objects within a terminal including sending group assignment rules from a remote location to the terminal, and assigning objects to include ranking scheme based on percentages of total viewers. Therefore, the combined references fail to teach or suggest Applicant's invention as a whole.

As such, Applicant submits that independent claims 25 and 59 and dependent claims 33 and 63, which depend from independent claims 25 and 59, are not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Therefore, Applicant respectfully requests that the Examiner's rejection be withdrawn.

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CONCLUSION

Thus, Applicant submits that none of the claims, presently in the application, are obvious under the provisions of 35 U.S.C. §103. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall or Jasper Kwoh at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Dated: __12/27/05__

E / W Wall

Eamon J. Wall
Registration No. 39,414
Attorney for Applicant(s)

PATTERSON & SHERIDAN, LLP
595 Shrewsbury Avenue, Suite 100
Shrewsbury, New Jersey 07702
Telephone: 732-530-9404
Facsimile: 732-530-9808

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